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HONORABLE ROSANNA  
MALOUF PETERSON

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON

BLOCKTREE PROPERTIES, LLC, a  
Washington limited liability company,  
CORSAIR INVESTMENTS WA, LLC,  
a Washington limited liability company,  
CYTLINE, LLC, a Delaware limited  
liability company, 509 MINE, LLC, a  
Washington limited liability company,  
MIM INVESTORS, LLC, a Washington  
limited liability company, MINERS  
UNITED, LLC, a Washington limited  
liability company, TELCO 214  
WHOLESALE SOFTWARE, INC., a  
Washington corporation, MARK  
VARGAS, an individual, and,  
WEHASH TECHNOLOGY, LLP, a  
Washington limited liability company,

Plaintiffs,

v.

PUBLIC UTILITY DISTRICT NO. 2  
OF GRANT COUNTY,  
WASHINGTON, a Washington  
municipal corporation, TERRY

NO. 18-00390 RMF

DECLARATION OF ERIC YINGLING

DECLARATION OF ERIC YINGLING - 1

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1 BREWER, individually and in his  
2 official capacity, BOB BERND,  
3 individually and in his official capacity,  
4 DALE WALKER, individually and in  
5 his official capacity, TOM FLINT,  
6 individually and in his official capacity,  
7 LARRY SCHAAPMAN, individually  
8 and in his official capacity, and DOES  
9 1-10, managers and employees of Grant  
10 PUD, individually and in their official  
11 capacities,

12 Defendants.

13 I, Eric Yingling, declare as follows:

- 14 1. I am over the age of eighteen and am competent to testify to matters below.
- 15 2. I am the owner of Corsair Investments WA, LLC, one of the Plaintiffs in this  
16 lawsuit, and I make this declaration based upon personal knowledge.
- 17 3. Corsair Investments WA, LLC (“Corsair”) is a Washington Limited Liability  
18 Company with offices in Englewood, Colorado, Quincy, Washington, and  
19 Spokane, Washington, and operations in Grant County, Washington.
- 20 4. Corsair Investments WA, LLC, is a wholly-owned subsidiary of Corsair  
Investments, LLC, a Colorado Limited Liability Company with operations in  
Colorado.
5. Before commencing operations in Grant County, Corsair contacted staff for  
the Public Utility District No. 2 of Grant County (“Grant PUD”) and received

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1 assurances that 5 MW of service were available at Corsair's preferred site and  
2 that Corsair would receive power under Grant PUD's Rate Schedule 7, which  
3 is for "Large General Service."

4 6. Corsair relied on these representations in electing to locate in Grant County  
5 and has now invested approximately \$1.8 million in facilities in the County,  
6 and moved two employees to Grant County based on assurances that Corsair  
7 could continue to operate facilities there.

8 7. Corsair began taking service from Grant PUD in October 2017, and its  
9 predecessor Hashplex, LLC, began taking service from Grant PUD in October  
10 2013.

11 8. Since it began operating in Grant County, Corsair has been served under Grant  
12 PUD's Rate Schedule 7.

13 9. The capacity for Corsair's Grant County facility is 1 MW. Based on Corsair's  
14 billing over the last year, Corsair's Grant County facility on average consumes  
15 approximately 715,000 kWh per month and the facility's peak monthly  
16 demand is 980 kW. On average, Corsair pays approximately \$18,250 per  
17 month for electricity service from Grant PUD.

18 10. Corsair has paid each of its Grant PUD electricity bills on time and in full,  
19 with the exception of a few bills that were paid late due to administrative  
20 errors occurring in the transition from Hashplex.

DECLARATION OF ERIC YINGLING - 3

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1 11. Corsair has a security deposit of approximately \$33,000 with Grant PUD.

2 This deposit is sufficient to cover about two months of its average bill should  
3 Corsair fail to pay.

4 12. Corsair is served from a substation that is located on the end of Corsair's  
5 property line and which also serves Microsoft and Dell datacenters. As part  
6 of its agreement to take service from Grant PUD, Corsair paid up-front for a  
7 1MW transformer, vaulting, and supply lines, all via Corsair's acquisition of  
8 HashPlex.

9 13. Based on Corsair's current energy consumption at its Grant County facilities,  
10 if Rate Schedule 17 is implemented, Corsair's estimated total rate will be  
11 approximately 308% higher than its current rate under Grant PUD's Rate  
12 Schedule 7.

13 14. A rate increase of this magnitude will render Corsair's operations in Grant  
14 County uneconomical and force Corsair to cease those operations. Corsair's  
15 substantial investments in Grant County would be destroyed and the economic  
16 benefits it brings to Grant County would be lost. Corsair might even be forced  
17 into bankruptcy by such a rate increase.

18 15. The prospect of being moved in or out of Rate Schedule 17 by Grant PUD  
19 staff determinations that are beyond Corsair's control, that could occur  
20 without notice at any time, that leave Corsair without legal rights to challenge

DECLARATION OF ERIC YINGLING - 4

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1 Grant PUD staff action, and that cannot be predicted creates uncertainty about  
2 the cost of Grant PUD's electric service that renders the business climate for  
3 Corsair's operations in Grant County untenable, even if Corsair is not  
4 ultimately subject to Rate Schedule 17's rate increases.

5  
6 I declare under penalty of perjury that the foregoing is true and correct.

7 Executed on February 15, 2019.

8  
9  
10 *Eric Yingling (Original forthcoming)*  
ERIC YINGLING

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DECLARATION OF ERIC YINGLING - 5

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